

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 84 – SB 141

February 18, 2017

SUMMARY OF ORIGINAL BILL: Requires departments receiving federal financial assistance to report to the Commissioner of the Department of Finance and Administration (F&A) and to the Comptroller of the Treasury (COT) notices of noncompliance or deficiencies with federal statutes, regulations, or the terms and conditions of a federal award that may result in changes to the financial assistance, within three days of receiving such notices.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (003833): Deletes the provision of the original bill that requires departments receiving federal financial assistance to report to F&A and COT notices of noncompliance or deficiencies with federal statutes within three days of receiving such notices, and replaces it with a new provision that requires such notification from the date of receipt by the department's commissioner or chief financial officer be submitted within five business days. Adds language to require staff of any department that receives such notices from federal agencies to transmit them to the department's commissioner or chief financial officer within five business days.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- This proposed bill as amended does not impose any additional audit responsibilities on F&A or COT.
- The departments receiving federal financial assistance will provide reports of noncompliance with federal statutes to F&A and COT within five days of receiving notifications of such noncompliance utilizing existing resources, without an increased appropriation or a reduced reversion.
- It is assumed that state departmental agencies are able to remedy any issues of non-compliance in the absence of the proposed bill as amended to sufficiently avoid jeopardizing receipt of any federal funds. As a result, any changes in federal funding are estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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